

2009 Estimated Production Costs and Returns - Irrigated Alfalfa in Western Colorado

	Unit	Price or Cost/Unit	Quantity	Value or Cost Per Acre	Value or Cost/Unit Production	Your Farm
GROSS RECEIPTS FROM PRODUCTION:						
ALFALFA (Small Squares)	TONS	138.60	3.30	457.38		
TOTAL RECEIPTS				457.38	138.60	
DIRECT COSTS						
Operating Preharvest						
SEED (ALLOCATED COST)	LBS	9.60	1.00	9.60	2.91	
PHOSPHATE (ALLOCATED COST)	LBS	0.44	67.50	29.70	9.00	
FERTILIZER APPLICATION	ACRE	6.00	1.00	6.00	1.82	
IRRIGATION WATER	AC/IN	25.00	1.20	30.00	9.09	
HERBICIDE	OUNCES	2.40	1.00	2.40	0.73	
HERBICIDE APPLICATION	ACRE	6.00	1.00	6.00	1.82	
INSECTICIDE	PINTS	11.10	1.00	11.10	3.36	
INSECTICIDE APPLICATION (AERIAL)	ACRE	8.00	1.00	8.00	2.42	
MACH FUEL & LUBE	ACRE	5.27	1.00	5.27	1.60	
MACHINE REPAIRS	ACRE	4.58	1.00	4.58	1.39	
INTEREST EXPENSE ¹	DOLS			3.94	1.19	
Total Preharvest	DOLS			116.59	35.33	
Operating Harvest						
BALING ²	TONS			70.71	21.43	
HAULING/STACKING ³	TONS			39.60	12.00	
SWATHING ⁴	ACRE			14.00	1.00	
INTEREST EXPENSE	ACRE			1.79	1.00	
Total Harvest				126.10	38.21	
Total Operating Costs				242.70	73.54	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			19.43	5.89	
GENERAL FARM OVERHEAD	DOLS			20.00	6.06	
REAL ESTATE TAXES	DOLS			10.00	3.03	
Total Property and Ownership Costs	DOLS			49.43	14.98	
TOTAL DIRECT COSTS				292.13	88.52	
NET RECEIPTS BEFORE FACTOR PAYMENTS				165.25	50.08	
FACTOR PAYMENTS						
LAND @ 4.00%	DOLS			32.00	9.70	
RETURN TO MANAGEMENT AND RISK	DOLS			133.25	40.38	

¹ Interest on Operating Capital is calculated on 1/2 of pre-harvest operating costs at 7%

² Baling = \$0.75/Bale (70 Lb Bale)

³ Hauling/Stacking = \$12/Ton

⁴ Swathing = \$14/Acre

BREAKEVEN ANALYSIS - PER ACRE RETURNS OVER TOTAL DIRECT COSTS (\$/ACRE)

		ALTERNATIVE PRICES				
		\$/TON				
		-25%	-10%	\$ 138.60	+10%	+25%
		\$ 103.95	\$ 124.74	\$ 138.60	\$ 152.46	\$ 173.25
ALTERNATIVE YIELDS	-25%	\$ (34.85)	\$ 16.60	\$ 50.91	\$ 85.21	\$ 136.67
	-10%	\$ 16.60	\$ 78.35	\$ 119.51	\$ 160.68	\$ 222.43
	TONS	\$ 50.91	\$ 119.51	\$ 165.25	\$ 210.99	\$ 279.60
	+10%	\$ 85.21	\$ 160.68	\$ 210.99	\$ 261.30	\$ 336.77
	+25%	\$ 136.67	\$ 222.43	\$ 279.60	\$ 336.77	\$ 422.53